



MCE Board of Directors Meeting
Special Meeting & Public Workshop
Thursday, October 22, 2026
4:30 p.m.

1125 Tamalpais Ave
San Rafael, CA 94901

2300 Clayton Road, Suite 1500
Concord, CA 94520

Public comments may be made in person or remotely via the details below.

Remote Public Meeting Participation

Video Conference:

<https://us02web.zoom.us/j/895558191522?pwd=3ZDhGry61ufbKYiEKaAmZDKJaB5qrf.1>

Phone: Dial (669) 900-9128, Meeting ID: 895 5819 1522, Passcode: 551526

Materials related to this agenda are available for physical inspection at MCE's offices in San Rafael at 1125 Tamalpais Avenue, San Rafael, CA 94901 and in Concord at 2300 Clayton Road, Suite 1500, Concord, CA 94520.

DISABLED ACCOMMODATION: If you are a person with a disability who requires an accommodation or an alternative format, please contact MCE at (888) 632-3674 or ada-coordinator@mceCleanEnergy.org at least 72 hours before the meeting start time to ensure arrangements are made.

1. Roll Call/Quorum
2. MCE Presentation: Building Electrification and Changing Regulations
3. Bay Area Air District Presentation: Zero-NOx Building Appliance Rules
4. Open Q&A Session for All Attendees*
5. Adjourn

The Board of Directors may discuss any or all of the items listed on the agenda irrespective of how the items are described.

*Please note that if a quorum is not achieved for this special meeting, the meeting will proceed as a public workshop to discuss the matters listed on this agenda. Any members of the MCE Board of Directors will participate in the discussion in the same fashion as the public and such Board Members may not discuss among themselves, other than as part of the scheduled agenda, any other specific business of MCE.



Public Workshop: Building Electrification and Changing Regulations

October 22, 2026

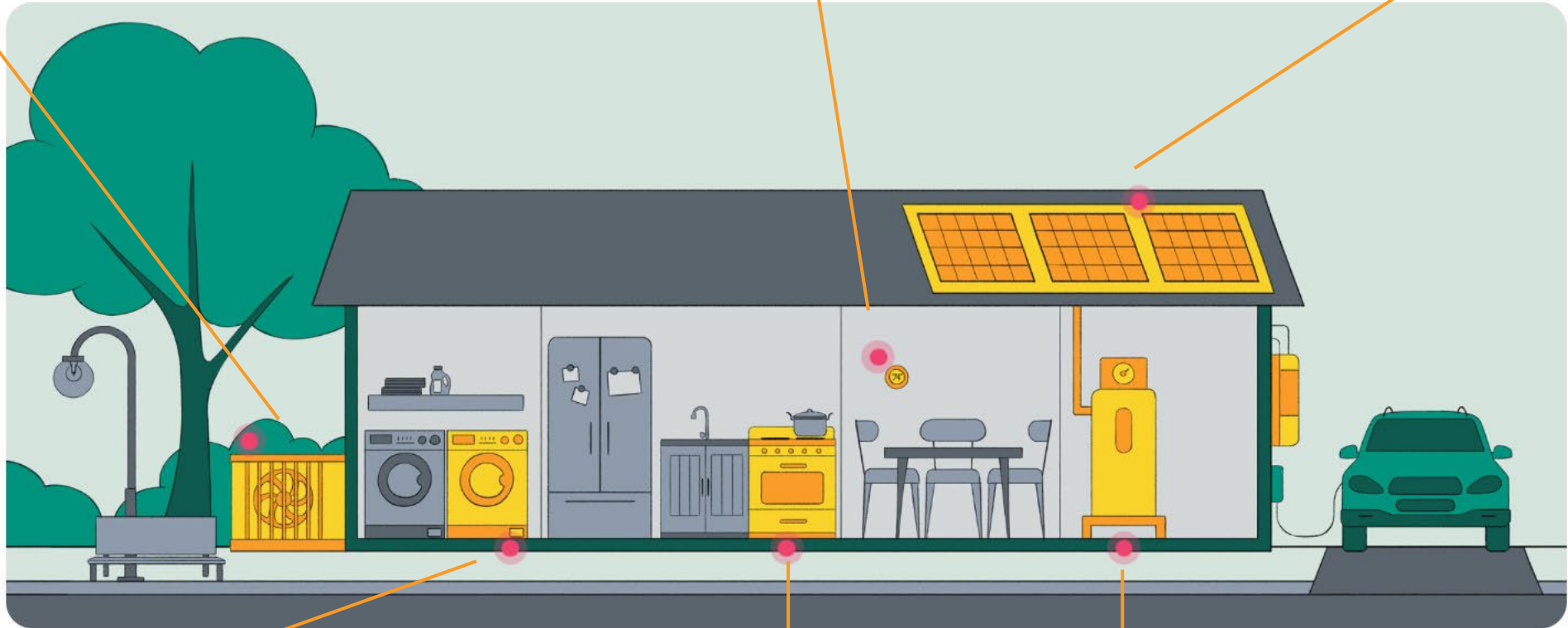


Building Electrification: Behind the Meter

Heating and
Cooling Air

Support Measures

Solar + Storage



Electric Clothes
Dryers

Induction Cooking

Water Heating

Benefits of Electrification

Heating and Cooling Air

- Three times more energy efficient
- Improved air quality
- No gas – lower emissions
- One system

Water Heating

- 75% less energy
- No gas
- Well-insulated, keeps water hot when not in use

Solar + Storage

- Energy bill savings
- Clean energy when needed most
- Increased grid reliability for everyone

Electric Clothes Dryers

- 50% less energy
- No exhaust ventilation required – no gas
- Gentle on laundry
- Potentially lower bills

Induction Cooking

- Increased safety for pets and children
- Improves indoor air quality

Support Measures

- Enable electrification measures installation
- Optimize electrical systems

Installation Costs

Heat Pump Water Heater: \$6,000

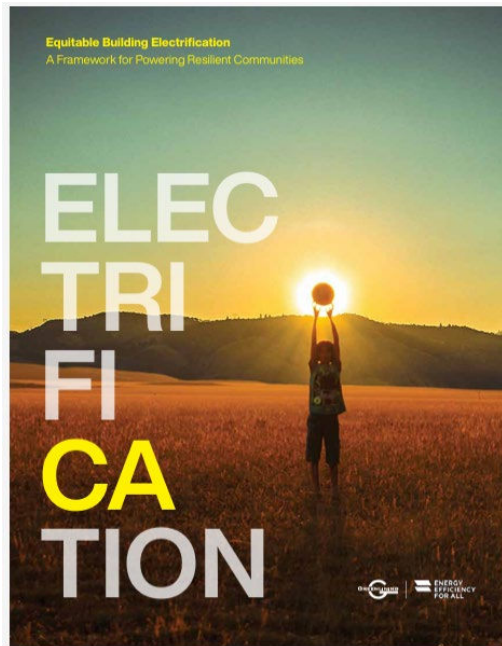
Higher unit cost

Light construction costs

Wiring

Panel upgrades

Gas Water Heater: \$2,800





Select Language ▾

HEAT PUMP DATA

Download Data

Use the links below to download anonymized data about projects that received TECH Clean California incentives.

TECH Clean California working data set

Overview

The TECH Clean California working data sets provide anonymous data gathered from incentive applications submitted by TECH Clean California participating contractors. Each row represents a unique installation of either a heat pump water heater (HPWH) or a heat pump heating, ventilation, and air-conditioning (HP HVAC) system. All data is anonymous and cannot be used to reidentify the homes in which installations occurred.

Data fields (columns) describing each installation include:

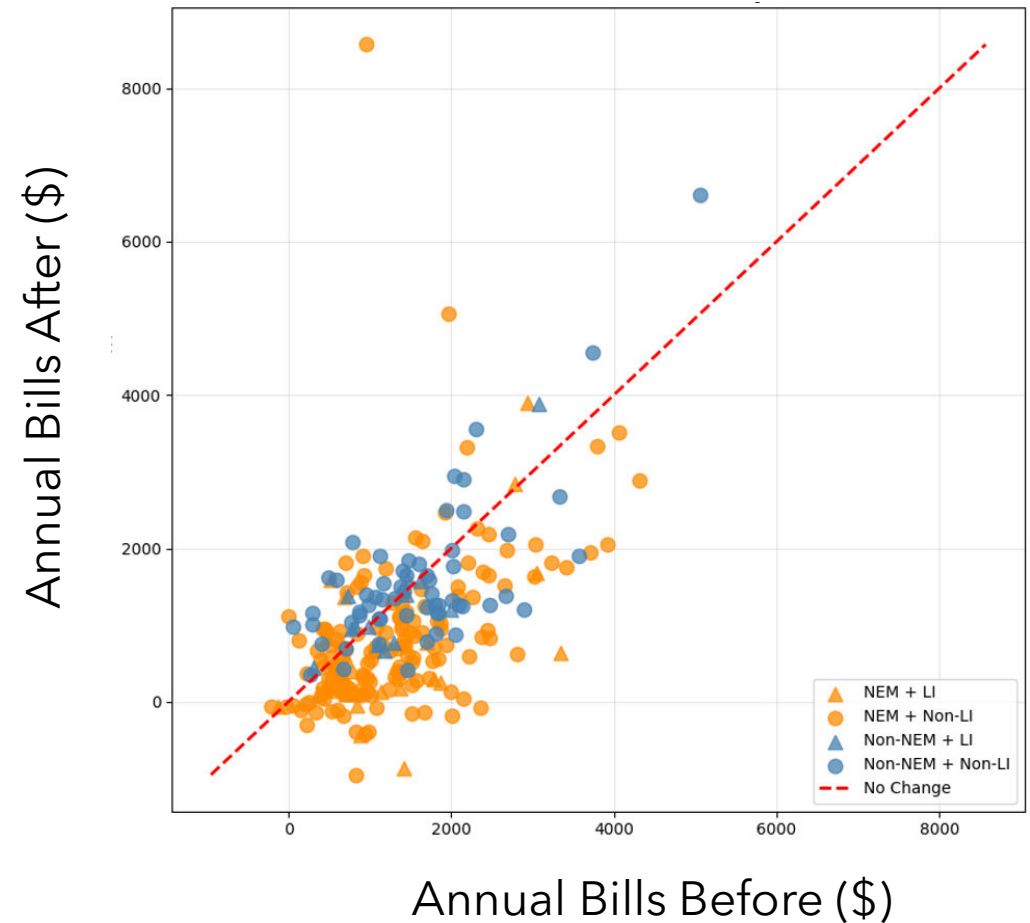
Operating Costs



MCE Equitable
Electrification



Annual Bills Before vs After
Heat Pump Installation (\$)



Many homes already have the power to electrify, study finds

A California power provider shows homes can ditch fossil-fueled appliances without pricey electrical service upgrades after all.

By **Alison F. Takemura**
30 March 2026



Contractors get ready to install an electric heat pump at a home in the San Francisco Bay Area. (Silicon Valley Clean Energy)

Blake Herrschaft has plans to fully electrify his Tahoe City, California, home, which runs on a slim 100 amps of electrical service. But even with a hot tub, in an area that sees an average of 15 feet of snow per year and temperatures that dip into the single digits, his house won't need an expensive service upgrade. "I've done the calculations," he said.

An architectural engineer, Herrschaft manages building electrification programs at [Peninsula Clean Energy](#), a public power agency – also known as a [community choice aggregator](#) – in the San Francisco Bay Area. He says he frequently hears people claim at regulatory meetings that electrification rules will force households to undergo electrical service upgrades that many can't afford; these upgrades can range from \$2,000 to \$30,000 in the Golden State, according to a 2022 analysis.

Common Questions and Concerns about Home Electrification

1. Do I need to do an expensive electrical panel upgrade?
2. Will my bill go up?
3. Technology isn't available - I won't have enough hot water
4. Does it really help air quality and safety of the home that much?
5. Power outages will cause disruptions
6. Installation timelines
7. Higher purchase and installation costs



MCE's Focus

Advance building decarbonization activities in energy efficiency (EE) portfolios

- Foundational principle across all programs, sectors, and customer segments
- Advancing affordable, equitable, and community-led decarbonization solutions
- EE is decarbonization: all MCE programs inherently contribute to GHG reduction
- Prioritize program design and implementation that promotes building electrification: no incentives for gas

California's Clean Water Heater Efforts

California Air Resources Board	Bay Area Air District
Zero-GHG regulation	Zero NOx
Statewide regulation	Bay Area compliance
Regulate manufacturers statewide	Regulate local installations
Regulate water heaters plus: • Emissive equipment that uses other fuel types besides gas (oil, propane) • Pool heaters • Furnaces > 175,000 BTU/hr	Regulate water heaters

SB 222 (Wiener) Permit and Fee Streamlining

AB 2313 (Berman) Appliance Electrification Incentives



3M
All-Electric
Homes by
2030



6M
Heat Pumps
by 2030



7M
All-Electric
Homes by
2035



Zero-NO_x Water Heater and Furnace Rules



MCE Contractor Resources



Visibility through MCE's Contractor Finder

- Business listed on website for local homeowners
- Available after enrolling and completing first qualifying project



Training on the latest technologies

- Receive \$3,500 per crew member to attend electrification training



Support to grow your team at no cost

- Get matched with pre-vetted, entry-level job seekers
- Receive up to \$2,000 for hiring and retaining a new hire and \$350 reimbursement for new-hire tools and materials



Cash for electrifying homes

- Get up to \$675 for installing heat pump water heaters
- Get up to \$400/ton for installing heat pump heating and cooling systems
- Get paid to install energy efficiency measures, rebates for customers, and bonuses for metered savings

Contractor Finder Tool

Find contractors skilled in home electrification upgrades

- mceCleanEnergy/contractor-finder
- Exclusively lists contractors enrolled in 1 or more of MCE's contractor programs
- Special highlights for contractors enrolled in Residential Flex Market and Green Workforce Pathways
- Memberships for signatory contractors

Find a Licensed Contractor

Take the guesswork out of finding contractors who are knowledgeable about the latest home improvement technology and licensed and experienced contractors in your area.

Services

Battery Storage

Electrical Upgrades & Repair

Heat Pump HVAC

Heat Pump Water Heater

Home EV Charger

Counties Served

Contra Costa

Marin

Napa

Solano

MCE Customers Served

Select Customers

Memberships

Local Union 104

MCE Rebates & Offerings

Offers Emergency Water Heater Replacement

Offers MCE Rebate

Name A-Z

A 100% Guarantee Heating & AC

Vacaville

[Website](#)

(707) 689-5128

[Email](#)

[License #](#)

Services:

- Heat Pump HVAC

Counties served:

- Solano

MCE customers served:

-

A-1 Guaranteed Heating & Air Conditioning

Vallejo

[Website](#)

(888) 421-2473

[Email](#)

[License #](#)

Services:

- Electrical Upgrades & Repair
- Heat Pump HVAC
- Heat Pump Water Heater

Counties served:

- Contra Costa
- Napa
- Solano

MCE customers served:

- 22

Offers MCE Rebate

A+ Heating & Air

Citrus Heights

[Website](#)

(916) 838-3748

[License #](#)

Services:

- Heat Pump HVAC

AdamEck HVAC

Napa

[Website](#)

(707) 330-5898

[Email](#)

[License #](#)

Services:

- Heat Pump HVAC

Contractor Events Calendar

Trainings, events & connections

- mceCleanEnergy/contractor-events
- One-stop training resource
- Accessible learning opportunities
- Supports workforce development
- Fosters industry collaboration
- Add your Contractor Event' feature

Contractor Events Calendar

Q Search for events In a location Find Events List Month Day						
< > This Month September 2026 ▼						
S	M	T	W	T	F	S
30	31	1 12:00 pm - 1:00 pm 2025 Energy Code: Multifamily Ventilation	2 9:00 am - 10:30 am BayREN C&S Training: ECC- Verified Quality Insulation Installation (QII) – offered in partnership with Energy Code Aca	3 11:00 am - 1:00 pm Critical Details for Accurate Load Calculations	4	5
6	7	8	9 9:30 am - 11:00 am Energy Code Compliance Verification (formerly HERS) – Overview and Envelope 10:00 am - 11:00 am Marketing and Lead Generation for Electrification (New Buildings Institute)	10 9:00 am - 12:00 pm Optimizing Ducted Heat Pumps for Residential Electrification: Efficiency Comfort and Low-Loss Duct Systems	11	12
13	14	15	16 9:00 am - 12:00 pm Appliance Rules: Preparing Local Governments and Communities for a Clean Transition	17 9:00 am - 12:00 pm Optimizing Ducted Heat Pumps for Residential Electrification: Load Calculations, Equipment Selection, System Airflow and Layout	18	19
20	21	22	23 9:30 am - 11:00 am Higher-Performance Residential Remodels	24 9:00 am - 1:00 pm Balanced Ventilation for Better Health, Comfort, and Electrification (Part 1	25 12:00 pm - 4:00 pm MCE's Marin Contractor Workshop	26

Green Workforce Pathways

Workforce development program supporting workforce training providers and installer staff for all-electric technologies

Program Benefits:

1. Cash stipends for contractors attending electrification training
2. Access to MCE Contractor Finder Tool for more visibility and lead generation
3. MCE and partner-led technical and job support skills trainings



**Stipends for
contractors
and staff**

**Regional
Industry
Trainings**

Heat Pump Water Heater Incentives



Rebate of up to \$675 for installing a heat pump water heater

Residential Flex
Market



Free home energy assessment with a licensed contractor

Multifamily Energy
Savings



Rebate of up to \$400 per 500 square feet for installing a heat pump heating and cooling system

Home Energy Savings

Home Energy Savings



Who: Income-qualifying homes in MCE's service area

What: Free in-home energy assessment and upgrades

Savings Equivalent to:

5,189

Miles driven by an average gas-powered car

Residential Flex Market Program

Who

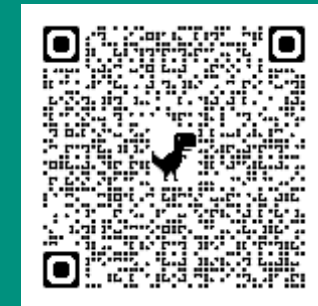
- Can serve **all homeowners**

What

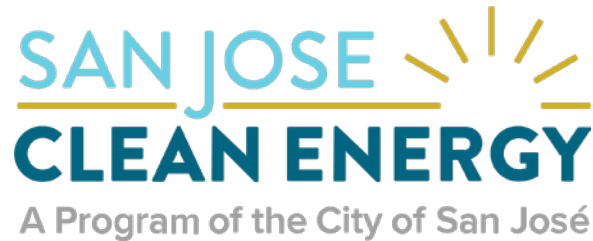
- Guaranteed upfront incentives for homeowners
- Bonus performance payments for high energy-saving projects
- Stackable with other incentive programs



**Fill out an interest form
to get started today!**



Partnerships

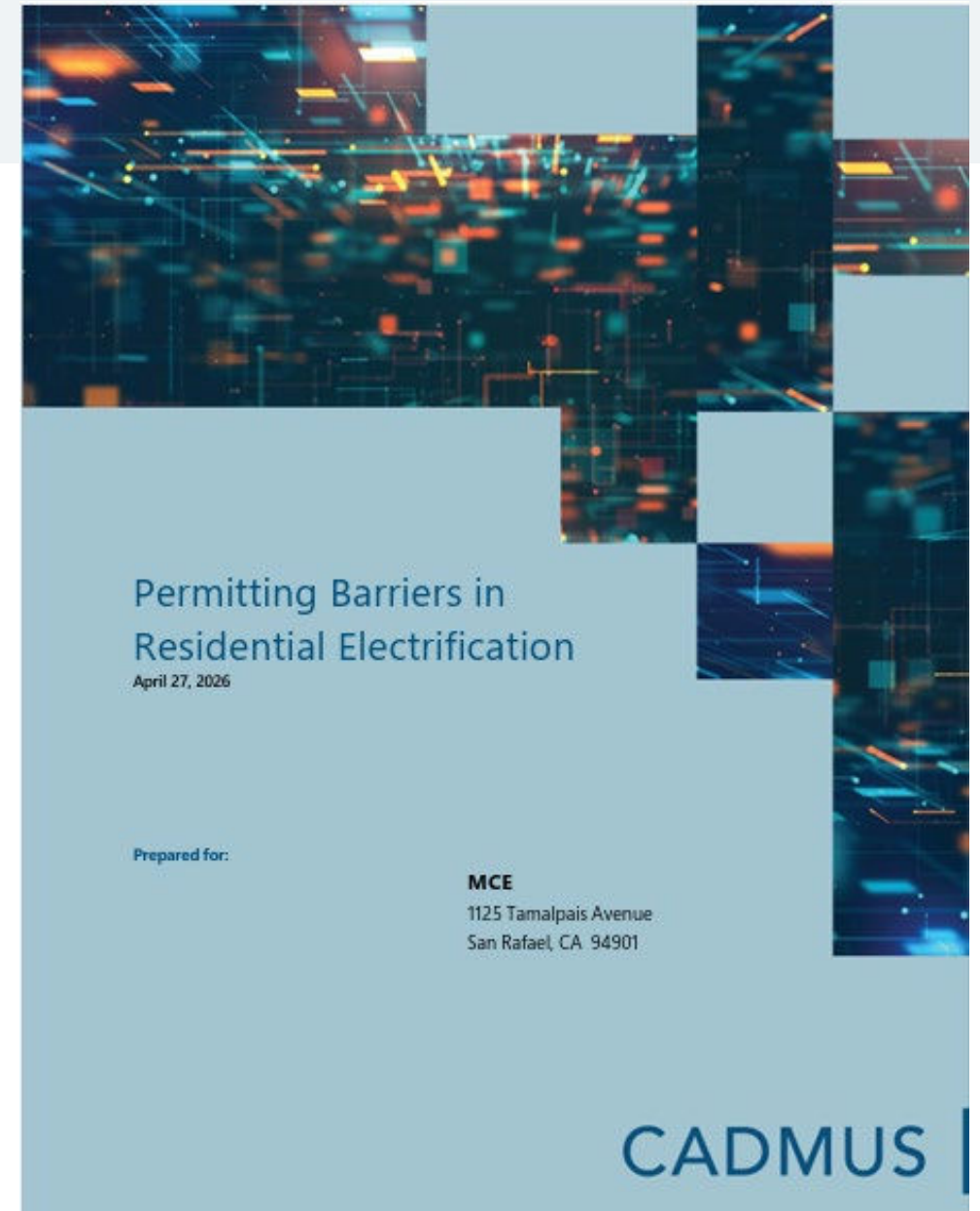


Permitting study



“Every delay in deploying clean electric technologies is a missed opportunity to reduce greenhouse gas emissions. If we fail to address these barriers, we'll make it harder and more expensive for residents to choose electrification, putting local and state climate targets further out of reach.”

Brandon Ewert, MCE Customer Programs Specialist



Outreach

Announcing Heat Pump Water Heater Week 2026!

October 26 – 29, 2026

ENGLISH



MENU

July 23, 2026

Heat Pumps Explained: Electrification and MCE Rebates



If you're thinking about upgrading your home's water heating or heating and cooling system, a heat pump can be a smart investment in comfort, safety, and energy efficiency. Heat pump water heaters and heat pump heating and cooling systems use electricity to move heat efficiently, which can reduce energy use, improve indoor comfort, and support a more efficient home.



Electrification Alone Isn't Enough: Why Energy Efficiency Still Matters

Jennifer Green
Decarbonization Professional

August 18, 2026

California's clean energy conversation has become increasingly focused on affordable electrification. That's understandable. We need to replace fossil-fuel technologies with clean electric alternatives if we're going to meet our climate goals.

But after more than two decades working in energy, I believe that we're overlooking a critical part of the equation: energy efficiency.

Electrification is a great way to reduce reliance on natural gas in individual homes and businesses. But the truth is: the cleanest energy is that which we don't use. And transitioning to full electrification without implementing strategies to reduce overall consumption risks an increase in reliance on natural gas generation at the utility level while also increasing costs for customers.

At MCE, I lead the team that pursues the funding, partnerships, and innovative programs that make this work possible. My teammates are dedicated experts in this space, building effective community programs out of the complex systems that collect and allocate funding for customer-facing energy solutions. By combining local leadership with regional and state resources, we help customers lower their bills, improve home comfort, strengthen grid reliability, and participate in a cleaner energy future.

Customer Service Support

Electrification-focused rate support:

- E-ELEC rate for fully-electric customers
- New solar customers on Solar Billing Plan automatically enrolled in E-ELEC

Identify additional customer benefits:

- MCE Cares Credit, MCE Sync (EV smart charging app), Solar Storage Credit, or EV rebates

Post-upgrade customer surveys:

- Evaluate customer experience, measure satisfaction, identify additional support needs and opportunities for improvement

Ongoing customer support:

- info@mcecleanenergy.org
- (888) 632-3674
- Bill questions, electric rate support, electrification programs, incentives, & other available MCE services



Questions?



mceCleanEnergy.org
info@mceCleanEnergy.org



Zero-NO_x Building Appliance Rules

Jennifer Lam
Manager, Regulatory Development
Bay Area Air District
October 22, 2026



Outline

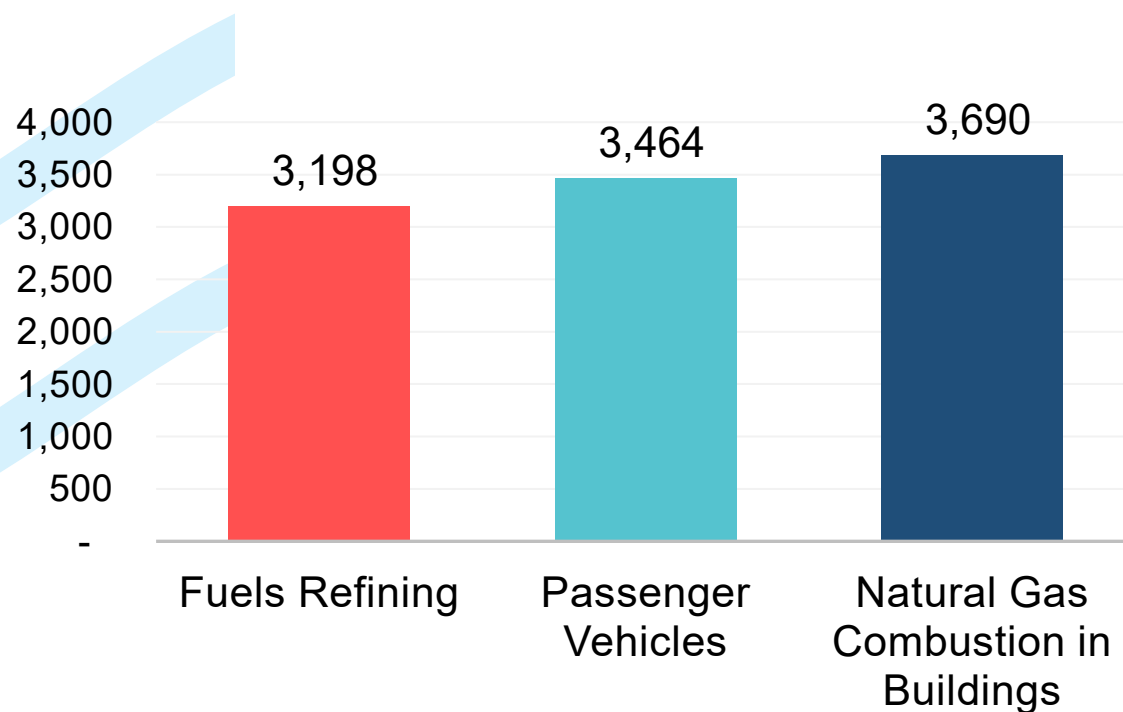
1. Overview of Air District, air pollution sources and their health impacts
2. Zero-NOx water heater and gas furnace rules
 - Health benefits
 - Regulatory history
 - Proposed exemptions and other changes under consideration
 - Next steps
3. Questions and discussion

Bay Area Air District

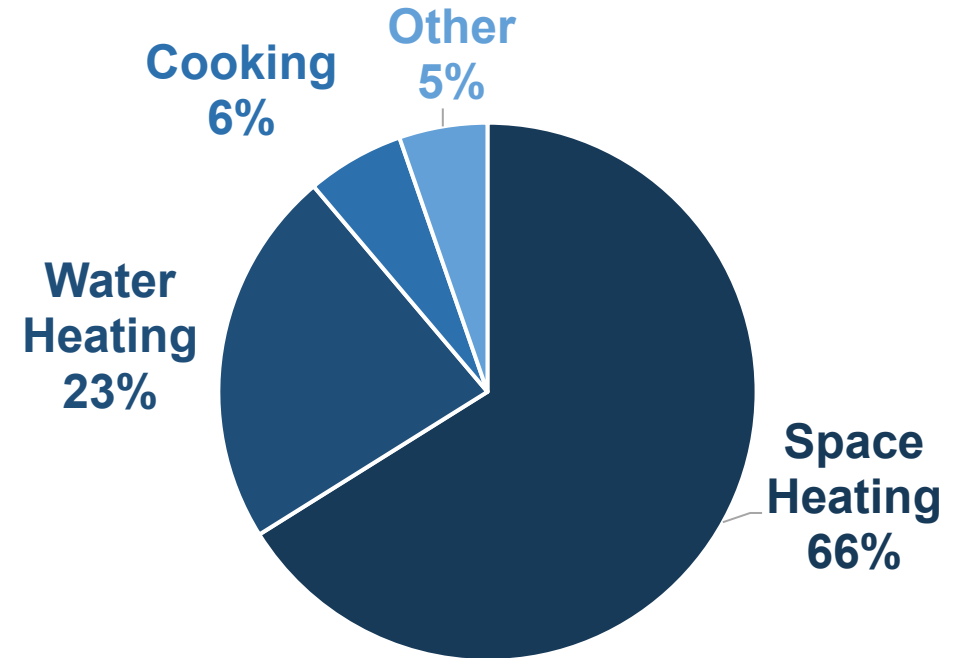
- Formed in 1955 by the California Legislature
- Regulates stationary sources of air pollution in the 9-county Bay Area
- Governed by Board of Directors
 - 24 locally elected representatives from each county



Residential appliance emissions



2019 Air District NOx Emissions (tons)



2019 Air District Residential Natural Gas Combustion NOx Emissions

Zero-NOx standards – 2023 amendments

- NOx standards within Rule 9-4 (furnaces) and Rule 9-6 (water heaters) have been in place for over three decades
- Zero-NOx standards have **gradual phase-in**: all new sales or installations of units manufactured after compliance dates

1/1/2027	Water heaters less than 75,000 BTU/hr
1/1/2029	All applicable natural gas-fired furnaces (e.g., residential and commercial; including direct-vent units)
1/1/2031	Water heaters 75,000 to 2 million BTU/hr

- Staff update to the Board due two years prior to each compliance date

Health benefits

IMPROVE OVERALL
REGIONAL AIR QUALITY

FROM THE
OUTDOOR VENTING
OF APPLIANCES

LOWER **PM_{2.5}**
EXPOSURE
PARTICULARLY IN
COMMUNITIES
OF COLOR



AVOID UP TO
\$890M
PER YEAR IN HEALTH
IMPACTS DUE TO
AIR POLLUTION
EXPOSURE



PREVENT
UP TO **85**
PREMATURE
DEATHS
PER YEAR



2024 “Readiness Report” for Rule 9-6

- Average additional cost of zero-NOx water heater compared to gas:
 - \$1,800 (vs. new gas tankless)
 - \$3,500 (vs. new gas tanked)
- New 120-volt “plug-in” HPWHs and “watt diet” strategies can help manage and lower costs
- Installations requiring extensive work need flexibility
 - Appliance relocation, electric panel upsizing
 - Emergency replacements
- Key findings directly informed exemptions to be considered by Board of Directors.



Proposed flexibility amendments

1. Address **affordability** and the **drivers** of high cost
2. Allow **continued sales of some gas equipment** when zero NOx options do not currently exist, and for emergency situations
3. **Process must be as simple and automated** as possible



Source: istockphoto.com

Proposed: delay effective date to Jan. 2028

Approximately one year after original compliance date, providing additional time to:

- Develop and test exemption system
- Align with manufacturers, distributors, retailers & contractors
- Increase staff training and stakeholder education
- Conduct more property owner outreach

Additional delay of large water heaters, multifamily housing, hydronic units and others until 2033

Proposed Rule Amendments Cont.

- Continued sales for NOx-emitting tanked gas water heaters 30 gallon and less (no exemption certificate/voucher required)
- Limited exemptions to purchase non-compliant water heaters for:

Businesses with high-heat applications	Low-income property owners
Projects with space or electrical constraints	Hydronic heating systems
Emergency loaners for licensed contractors	Multi-family buildings with five units or more
Deed-restricted affordable housing	

Exemption type: project-specific

Attestation and documentation by licensed contractors* who

- Have the knowledge and expertise to accurately evaluate site conditions and technical issues (e.g. electric service and space constraints)
- Can stay up-to-date on evolving technology solutions and funding options (e.g. low-voltage water heaters, rebate and incentive programs)



Source: *istockphoto.com*

* Electrical constraints to be verified by licensed electrician

One-time exemption per project address

- For site-specific exemptions (i.e. space or electrical constraints) only
- Supports long term air quality goals while also provides exempted building owner ~13 years to prepare for future zero NOx water heater, starting from 2027
- Full emissions benefits are realized later instead of 2040



Source: *istockphoto.com*

Exemption Process

Online form accessible by mobile device

Simple, self-attestation by homeowner or contractor

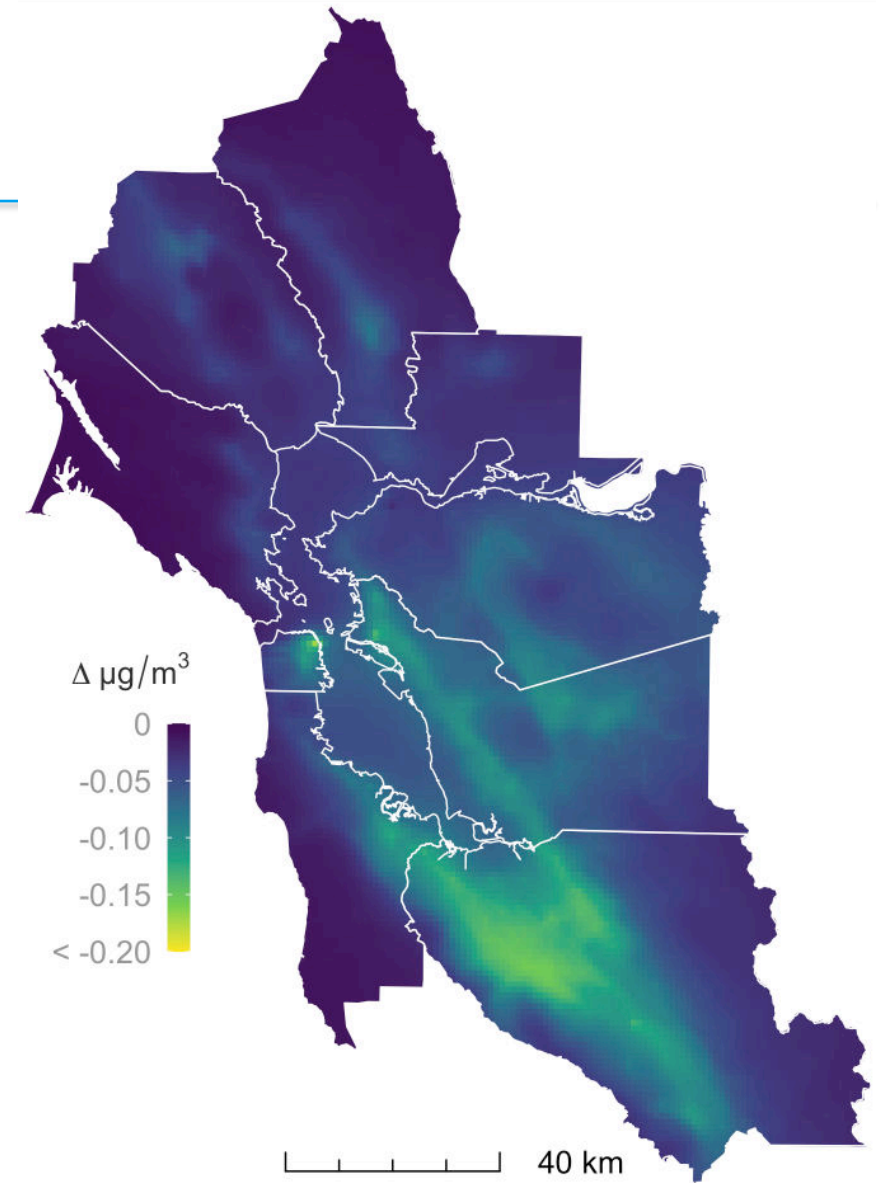
Immediate approval if all fields completed

Minimal documentation required

Enforcement review to be completed in aggregate for issued exemptions

Impact of Exemptions

- Up to 50% of projects will be eligible for exemptions based on staff estimates
- Most replacements will still occur, just delayed (one-time exemptions, etc.)
- Water heaters vent outdoors and emissions reductions benefits will continue to accrue regionally



Underway: public awareness campaign

Phase I – 2026

- Develop clear, audience-specific messaging focused on benefits of switching to zero-NOx appliances
- Conduct baseline awareness survey (May–July)
- Launch media, contractor, and social outreach

knowthefacts.baaqmd.gov

Phase II – Fall through early 2027 (post-Board action)

- Launch local advertising campaign
- Expand outreach, including door-to-door, with clear timelines and calls to action

Phase III – 2027 and beyond

- Continuation of advertising, public relations, stakeholder, and social media outreach

Next steps

Board of Directors hearing on Rule 9-6 changes expected November 2026

- Directors will deliberate and vote on whether to adopt amended rule language
- “No” vote leaves 2023 adopted rule (no exemptions, 2027 implementation date) intact

Sign up to our listserv for automatic updates:

- <https://www.baaqmd.gov/rules-and-compliance/rule-development/building-appliances>

Comments?

Submit via: comments.baaqmd.gov

Learn more at: knowthefacts.baaqmd.gov